

Weekly Market Summary



Highlights

- **Nigeria's Trade Surplus Soars in Q2 2024 Amid Strong Export Growth**
- **Nigerian Equities Market up by 1.06% to Close Week on a Positive Note**
- **Naira Strengthens at Official Trade Window**
- **ECB Eases Rates Further**

NIGERIAN MARKET UPDATE

Economic Data	13-09-24	06-09-24	WoW	YTD
NGXASI	97,456.62	96,433.53	1.06%	30.34%
NGXLII	6,295.39	6,217.23	1.26%	36.27%
Market Cap (₦'tn)	56.002	55.394	1.10%	36.87%
Official Exchange Rate (₦/\$)	1,546.41	1,593.32	3.03%	-41.34%
Oil Prices (\$'pb)	71.61	71.06	0.77%	-7.05%
External Reserves (\$'bn)	36.94	36.34	1.51%	12.25%
LC Managed Funds				
Halal Investment Fund (₦)*	2.09	2.18	0.46%	19.98%
Halal Fixed Income Fund (₦)	1,237.32	1,234.33	0.24%	10.07%
Lotus Halal Equity ETF (₦)	30.76	30.46	0.97%	36.31%

* Marked Down for 10kobo dividend

Nigeria's Trade Surplus Soars in Q2 2024 Amid Strong Export Growth

According to the Nigerian Bureau of Statistics, Nigeria's foreign exchange earnings experienced notable growth in the second quarter of 2024, supported by strong export performance. The country's foreign trade surplus expanded to ₦6.95 trillion, a clear indication that exports significantly outpaced imports. This trade surplus reflects Nigeria's ability to leverage external demand for key commodities, which positively impacted its economic outlook for the period.

Total imports in Q2 2024 stood at ₦12.47 trillion, representing a -10.71% decrease from ₦13.97 trillion recorded in Q1 2024. Despite this quarter-on-quarter decline, imports surged by 97.93% compared to ₦6.30 trillion in Q2 2023, driven largely by a spike in fuel product imports as value of foreign trades surge following a decline in the value of the local currency. Fuel products remained the top imported goods, with the value of oil product imports reaching ₦4.43 trillion in Q2 2024, reflecting a -23.34% decline from Q1 2024 and a 98.64% increase from the previous year's second quarter. Other prominent imports during this period included durum wheat, butane, and sugar cane.

On the export side, Nigeria performed exceptionally well. Total exports were valued at ₦19.42 trillion in Q2 2024, a 1.31% increase from ₦19.17 trillion in the previous quarter, and a 201.76% rise compared to the ₦6.43 trillion in Q2 2023. Key export products included cocoa beans and urea, highlighting the growing importance of Nigeria's non-oil sectors in driving foreign exchange earnings. This strong export growth, alongside decreased imports, contributed to the widening trade surplus and underscores the country's efforts to diversify its economy while maintaining a robust external sector.

Nigerian Equities Market up by 1.06% to Close Week on a Positive Note

The Nigerian equities market closed the week on a positive note as the NGX All Share Index gains 1.06% to stand at 97,456.62 points. This outing pushed the market capitalization of the NGX higher to stand at ₦56.00 trillion at the end of the week.

The NGX Lotus Islamic (NGXLII) also followed suit to gain 1.26% in the week, as year-to-date return of the ethical index inches higher to 36.27%

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Naira Strengthens at Official Trade Window

System liquidity remained relatively stable in the week. As a result, the ON rate marginally increased to 31.73% by the end of the week, from 31.70% in the previous week. The OPR on the other hand decreased to 31.20% at the end of the week, compared to 31.25% in the prior week.

In the week, the Naira strengthened by 3.03% at the official window to trade at ₦1,546.41/\$, up from the ₦1,593.32/\$ it traded at the end of the previous week. At the parallel market however, the Naira remained downbeat, closing the week at ₦1,650.00/\$ (previous week: ₦1,641.00/\$).

GLOBAL MARKETS

ECB Eases Rates Further

The European Central Bank (ECB) reduced the deposit facility rate by 25 basis points to 3.5%, signaling a shift towards easing monetary policy amid an improved inflation outlook and more effective policy transmission. This decision reflects the ECB's ongoing efforts to adapt its approach in response to changing economic conditions. In addition to the deposit facility rate, the interest rates on the main refinancing operations and the marginal lending facility were also lowered to 3.65% and 3.90%, respectively, starting from September 18th.

These adjustments are part of the ECB's broader strategy to bring inflation back to its long-term target of 2%. By continuously monitoring economic data and market developments, the ECB remains flexible in its policy approach, refraining from committing to a predetermined rate path. This approach ensures that the central bank can respond dynamically to evolving inflationary pressures and other economic challenges, maintaining financial stability while supporting growth across the eurozone.

Lotus Capital, Creating Wealth the Halal Way

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